IN THE CLAIMS:

The following is a complete listing of claims in this application.

1. (previously presented) The method according to claim 17, wherein said step of processing comprises:

encapsulating said tagged segment into a Point-to-Point Protocol (PPP) packet in a frame; and

mapping the encapsulated packet into a transmission frame for transmission over an optical fiber.

- 2. (original) The method according to claim 1, wherein said tagged segment is encapsulated into a PPP packet in a High bit rate Digital Link Control (HDLC)-like frame.
- 3. (original) The method according to claim 1, wherein said transmission frame is a Packet over SONET (PoS) frame.
- 4. (original) The method according to claim 1, wherein said transmission frame is a Packet over SDH (PoS) frame.
- 5. (original) The method according to claim 2, wherein said transmission frame is a Packet over SONET (PoS) frame.
- 6. (original) The method according to claim 2, wherein said transmission frame is a Packet over SDH (PoS) frame.
- 7. (original) The method according to claim 3, further comprising the step of scrambling the encapsulated packet before the step of mapping into a transmission frame.
- 8. (original) The method according to claim 1, wherein said step of adding a tag includes adding an MPLS tag.
- 9. (original) The method according to claim 1, further comprising the steps of:

de-packing said transmission frame in a receiver to
retrieve said encapsulated PPP packet;

de-capsulating said encapsulated PPP packet to retrieve said tagged segment of a bit stream; stripping off the tag to retrieve said segment of a bit stream; and

assembling a plurality of said segments to re-create the

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original bit stream.

- 10. (original) The method according to claim 9, further comprising the step of unscrambling a scrambled encapsulated PPP packet, after the step of de-packing.
- 11. (previously presented) The method according to claim 5, further comprising the steps of:

de-packing said Packet over SONET packet in a receiver to retrieve said encapsulated PPP packet in HDLC-like form;

de-capsulating said encapsulated PPP packet to retrieve said tagged segment of a bit stream;

stripping off the tag to retrieve said segment of said bit stream; and

assembling a plurality of said segments to re-create the original bit stream.

12. (previously presented) The engine according to claim 19, wherein said processing modules comprise:

an encapsulating module for encapsulating the tagged segment into a Point-to-Point Protocol (PPP) packet in a frame; and

a mapping module for mapping the encapsulated packet into a transmission frame for transmission over an optical fiber.

- 13. (original) The engine according to claim 12, wherein said PPP packet is encapsulated in a High bit rate Digital Link Control (HDLC)-like frame.
- 14. (original) The engine according to claim 12 wherein said transmission frame is a Packet over SONET/SDH (PoS) frame.
- 15. (original) The engine according to claim 13 wherein said transmission frame is a Packet over SONET/SDH (PoS) frame.
- 16. (previously presented) The engine according to claim 12, wherein said tagging module is arranged to add an MPLS tag to each segment.

17. (currently amended) A method for packet processing for data transmission over an optical fiber, the method comprising the steps of:

receiving <u>and identifying</u> at <u>least two</u> incoming bit streams of data, each containing one service at <u>least two</u> <u>services</u>;

segmenting each said bit stream in its original protocol into variable length segments;

adding a tag to each segment, each tag including data identifying a route between a source and a destination endpoint of its bit stream so as to identify the service of the segment; and

processing each of said tagged segments from at least two \underline{of} said bit streams into a single transmission frame packet for transmission.

- 18. (previously presented) The method according to claim 17, wherein two of said incoming bit streams of data contain different services.
- 19. (currently amended) An engine for packet processing and data transmission with optimization of available bandwidth capacity, the engine comprising:

at least two service ports, each means for receiving and identifying an incoming bit stream streams of data containing one service at least two services;

- a segmentation module for segmenting said bit streams in its original protocol into variable length segments;
- a tagging module for adding a tag to each segment, each tag including data identifying a route between a source and a destination end-point of its bit stream so as to identify the service of the segment; and

at least one processing module for processing said tagged segments from at least two of said bit streams into a single transmission frame packet for transmission.

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- 20. (previously presented) The method according to claim 17, wherein two of said incoming bit streams of data contain the same service.
- 21. (new) The method according to claim 17, further comprising:

adding a routing tag to the packet; and inserting a plurality of said packets into a transmission frame for transmission.